



Milwaukee County

Employees' Retirement System
of Milwaukee County
Monthly Update
May 31, 2013

Total Fund Composite

Manager Status

Market Value: \$1,776.3 Million and 100.0% of Fund

Investment Manager	Asset Class	Status	Reason
J.P. Morgan	Core Fixed Income	In Compliance	---
Mellon Capital	Core Fixed Income	In Compliance	---
Boston Partners	Large-Cap Value	In Compliance	---
Mellon Capital	Large-Cap Core	In Compliance	---
Artisan Partners	Mid-Cap Growth	In Compliance	---
Geneva Capital	Mid-Cap Growth	In Compliance	---
iShares Russell 2000 Value Index	Small-Cap Value	In Compliance	---
Fiduciary Management	Small-Cap Value	In Compliance	---
NTGI ACWI Ex-US	Non-U.S. All-Cap Core	In Compliance	---
Barings	Non-U.S. Large-Cap Core	Alert	Performance
GMO Small-Cap	Non-U.S. Small-Cap Value	In Compliance	---
Barings EM	Emerging Markets	Alert	Performance
ABS	Hedged Equity Hedge FoF	In Compliance	---
K2	Hedged Equity Hedge FoF	In Compliance	---
American Realty Advisors	Core Real Estate	In Compliance	---
Morgan Stanley	Core Real Estate	In Compliance	---
UBS	Core Real Estate	In Compliance	---
IFM	Core Infrastructure	In Compliance	---
J.P. Morgan	Core Infrastructure	In Compliance	---
Adams Street	Private Equity	In Compliance	---
Siguler Guff	U.S. Private Equity FoF	In Compliance	---

Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

In Compliance – The investment manager states it is acting in accordance with the Investment Policy Guidelines.

Alert – The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.

On Notice – The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.

Termination – The Trustees have decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

Total Fund Composite

Market Value: \$1,776.3 Million and 100.0% of Fund

Ending May 31, 2013

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Total Fund Composite		1,776,273,623	-36,075,307	100.0	100.0	0
Fixed Income Composite		409,607,559	-39,147,686	23.1	22.0	18,827,362
J.P. Morgan	Core Fixed Income	334,709,405	-138,859	18.8		
Mellon Capital	Core Fixed Income	74,898,154	-39,008,827	4.2		
U.S. Equity Composite		453,198,198	-420,194	25.5	25.0	9,129,792
Boston Partners	Large-Cap Value	138,780,066	-67,886	7.8	8.0	-3,321,824
Mellon Capital	Large-Cap Core	116,854,563	-11,436	6.6	6.0	10,278,146
Artisan Partners	Mid-Cap Growth	53,352,576	-103,455	3.0	2.5	8,945,736
Geneva Capital	Mid-Cap Growth	44,608,001	-60,709	2.5	2.5	201,160
Fiduciary Management	Small-Cap Value	49,941,807	-66,303	2.8	3.0	-3,346,402
iShares Russell 2000 Value Index	Small-Cap Value	49,658,601	47,979,517	2.8	3.0	-3,629,607
International Equity Composite		349,910,592	0	19.7	20.0	-5,344,133
NTGI ACWI Ex-US	Non-U.S. All-Cap Core	98,214,494	0	5.5	6.5	-17,243,291
Barings	Non-U.S. Large-Cap Core	111,641,082	0	6.3	6.5	-3,816,704
GMO Small-Cap	Non-U.S. Small-Cap Value	83,040,859	0	4.7	4.0	11,989,914
Barings EM	Emerging Markets	57,014,156	0	3.2	3.0	3,725,947
Hedged Equity Composite		191,324,522	-5,000,000	10.8	10.0	13,697,160
ABS	Hedged Equity Hedge FoF	96,552,624	-2,000,000	5.4	5.0	7,738,943
K2	Hedged Equity Hedge FoF	94,771,898	-3,000,000	5.3	5.0	5,958,217
Real Estate Composite		128,905,933	-1,703,509	7.3	8.5	-22,077,325
American Realty Advisors	Core Real Estate	33,269,851	-494,172	1.9		
Morgan Stanley	Core Real Estate	79,660,033	-1,045,344	4.5		
UBS	Core Real Estate	15,975,613	-163,965	0.9		
Infrastructure Composite		126,740,738	-1,019,148	7.1	8.5	-24,242,520
IFM	Core Infrastructure	66,114,874	0	3.7	3.5	3,945,297
J.P. Morgan	Core Infrastructure	60,625,864	-1,019,148	3.4	3.5	-1,543,712

Total Fund Composite

Market Value: \$1,776.3 Million and 100.0% of Fund

Ending May 31, 2013

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Private Equity Composite		50,924,747	86,621	2.9	6.0	-55,651,670
Progress	U.S. Private Equity FoF	26,220	0	0.0		
Brinson 1998	U.S. Private Equity FoF	71,394	0	0.0		
Brinson 1999	U.S. Private Equity FoF	337,286	0	0.0		
Brinson 2000	U.S. Private Equity FoF	1,049,744	0	0.1		
Brinson 2001	U.S. Private Equity FoF	2,030,950	0	0.1		
Brinson 2002	U.S. Private Equity FoF	1,241,190	-173,598	0.1		
Brinson 2003	U.S. Private Equity FoF	1,171,901	0	0.1		
Brinson 2004	U.S. Private Equity FoF	1,602,230	-130,435	0.1		
Adams Street 2005	U.S. Private Equity FoF	7,191,400	-233,275	0.4		
Adams Street 2009	U.S. Private Equity FoF	12,860,082	83,929	0.7		
Adams Street 2012	Global Divers. Private Equity FoF	2,999,227	540,000	0.2		
Siguler Guff	U.S. Private Equity FoF	20,343,123	0	1.1		
Total Cash Equivalents		65,661,334	11,128,608	3.7	0.0	65,661,334

Total Fund Composite

Annualized Performance (Net of Fees)

Market Value: \$1,776.3 Million and 100.0% of Fund

Ending May 31, 2013

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	0.1%	2.9%	5.5%	15.0%	5.9%	9.7%	11.0%	4.1%	5.1%	7.5%
<i>Total Fund Benchmark</i>	-0.1%	2.7%	5.8%	14.0%	5.7%	9.9%	10.6%	3.8%	5.0%	7.1%
Fixed Income Composite	-1.5%	-0.5%	-0.5%	1.6%	4.2%	4.7%	7.0%	6.1%	6.2%	5.8%
<i>Barclays Aggregate</i>	-1.8%	-0.7%	-0.9%	0.9%	4.0%	4.6%	5.5%	5.5%	5.9%	4.7%
U.S. Equity Composite	3.1%	7.7%	15.3%	27.5%	10.5%	15.8%	18.1%	6.2%	6.3%	8.8%
<i>Dow Jones U.S. Total Stock Market</i>	2.4%	8.2%	15.6%	27.9%	12.1%	17.0%	18.5%	5.9%	6.2%	8.4%
International Equity Composite	-2.1%	2.3%	4.7%	26.0%	0.1%	9.8%	8.8%	-2.1%	0.2%	4.0%
<i>MSCI ACWI ex USA Gross</i>	-2.2%	1.7%	4.8%	26.4%	0.5%	9.6%	10.0%	-1.2%	3.3%	9.9%
Hedged Equity Composite	2.0%	4.6%	8.3%	14.0%	4.1%	6.0%	--	--	--	--
<i>HFRX Equity Hedge Index</i>	0.8%	2.7%	6.6%	11.0%	-1.9%	0.2%	1.0%	-3.6%	-1.4%	0.5%
<i>Russell 3000</i>	2.4%	8.1%	15.6%	27.9%	12.0%	16.8%	18.4%	5.7%	6.1%	8.1%
<i>MSCI ACWI</i>	-0.3%	4.5%	9.2%	26.0%	5.1%	12.3%	12.9%	1.2%	3.9%	8.1%
Real Estate Composite	0.0%	2.3%	2.3%	10.6%	10.8%	15.4%	17.7%	2.9%	3.6%	9.9%
<i>Custom Real Estate Benchmark</i>	0.0%	0.8%	2.4%	8.0%	10.0%	13.6%	19.9%	1.8%	3.2%	9.3%
<i>NFI</i>	0.0%	0.8%	2.4%	8.0%	10.0%	13.0%	6.5%	-1.8%	2.1%	5.7%
Infrastructure Composite	-0.7%	-0.5%	-1.7%	7.3%	5.7%	10.2%	--	--	--	--
<i>CPI +4%</i>	0.3%	1.1%	2.9%	5.2%	5.3%	6.1%	6.1%	5.4%	6.0%	6.4%
Private Equity Composite	0.0%	-1.1%	-1.1%	5.0%	7.0%	11.2%	13.2%	4.7%	9.2%	12.5%
<i>Venture Economics All PE</i>	0.0%	0.0%	0.0%	0.0%	3.3%	9.1%	11.7%	4.4%	7.5%	11.5%

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$1,776.3 Million and 100.0% of Fund

Ending May 31, 2013

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	0.1%	2.9%	5.5%	15.0%	5.9%	9.7%	11.0%	4.1%	5.1%	7.5%
<i>Total Fund Benchmark</i>	-0.1%	2.7%	5.8%	14.0%	5.7%	9.9%	10.6%	3.8%	5.0%	7.1%
Fixed Income Composite	-1.5%	-0.5%	-0.5%	1.6%	4.2%	4.7%	7.0%	6.1%	6.2%	5.8%
<i>Barclays Aggregate</i>	-1.8%	-0.7%	-0.9%	0.9%	4.0%	4.6%	5.5%	5.5%	5.9%	4.7%
J.P. Morgan	-1.4%	-0.5%	-0.3%	1.8%	4.2%	4.8%	5.8%	5.9%	6.0%	--
<i>Barclays Aggregate</i>	-1.8%	-0.7%	-0.9%	0.9%	4.0%	4.6%	5.5%	5.5%	5.9%	4.7%
Mellon Capital	-1.8%	-0.8%	-1.0%	0.9%	3.9%	4.5%	5.4%	5.4%	5.8%	4.6%
<i>Barclays Aggregate</i>	-1.8%	-0.7%	-0.9%	0.9%	4.0%	4.6%	5.5%	5.5%	5.9%	4.7%
U.S. Equity Composite	3.1%	7.7%	15.3%	27.5%	10.5%	15.8%	18.1%	6.2%	6.3%	8.8%
<i>Dow Jones U.S. Total Stock Market</i>	2.4%	8.2%	15.6%	27.9%	12.1%	17.0%	18.5%	5.9%	6.2%	8.4%
Boston Partners	4.1%	9.8%	18.0%	35.6%	15.2%	18.2%	18.9%	7.8%	7.6%	10.1%
<i>Russell 1000 Value</i>	2.6%	8.2%	16.9%	32.7%	12.9%	16.6%	18.2%	4.7%	4.8%	8.0%
Mellon Capital	2.3%	8.2%	15.4%	27.2%	12.6%	16.8%	17.8%	5.4%	5.9%	7.6%
<i>S&P 500</i>	2.3%	8.2%	15.4%	27.3%	12.6%	16.9%	17.9%	5.4%	5.9%	7.6%
Artisan Partners	2.2%	7.6%	14.2%	23.7%	10.5%	20.3%	21.8%	9.6%	10.3%	11.7%
<i>Russell MidCap Growth</i>	2.6%	8.3%	16.1%	26.8%	9.0%	17.4%	20.5%	6.3%	7.2%	10.2%
Geneva Capital	2.5%	3.5%	11.4%	--	--	--	--	--	--	--
<i>Russell MidCap Growth</i>	2.6%	8.3%	16.1%	26.8%	9.0%	17.4%	20.5%	6.3%	7.2%	10.2%
Fiduciary Management	3.4%	7.1%	16.2%	26.4%	7.4%	13.2%	--	--	--	--
<i>Russell 2000 Value</i>	3.0%	7.2%	14.9%	31.3%	9.7%	14.0%	19.2%	6.5%	4.9%	9.5%
iShares Russell 2000 Value Index	3.0%	--	--	--	--	--	--	--	--	--
<i>Russell 2000 Value</i>	3.0%	7.2%	14.9%	31.3%	9.7%	14.0%	19.2%	6.5%	4.9%	9.5%
International Equity Composite	-2.1%	2.3%	4.7%	26.0%	0.1%	9.8%	8.8%	-2.1%	0.2%	4.0%
<i>MSCI ACWI ex USA Gross</i>	-2.2%	1.7%	4.8%	26.4%	0.5%	9.6%	10.0%	-1.2%	3.3%	9.9%
NTGI ACWI Ex-US	-2.2%	1.8%	5.0%	--	--	--	--	--	--	--
<i>MSCI ACWI ex USA IMI Gross</i>	-2.2%	1.8%	5.1%	26.4%	0.5%	9.8%	10.4%	-0.8%	3.4%	10.2%
Barings	-1.0%	3.5%	5.6%	21.6%	1.0%	9.1%	8.1%	-3.1%	--	--
<i>MSCI EAFE</i>	-2.4%	3.5%	7.9%	31.6%	2.3%	11.0%	9.8%	-1.6%	1.9%	8.3%
GMO Small-Cap	-3.6%	6.0%	11.3%	39.1%	4.3%	16.1%	13.6%	--	--	--
<i>MSCI EAFE Small Cap Gross</i>	-2.3%	3.3%	9.9%	30.9%	2.7%	13.5%	13.9%	1.8%	2.6%	11.8%
Barings EM	-1.8%	-4.1%	-5.7%	12.9%	-7.3%	2.4%	--	--	--	--
<i>MSCI Emerging Markets</i>	-2.6%	-3.5%	-3.4%	14.1%	-4.6%	5.4%	9.4%	-1.2%	6.8%	15.0%

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$1,776.3 Million and 100.0% of Fund

Ending May 31, 2013

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Hedged Equity Composite	2.0%	4.6%	8.3%	14.0%	4.1%	6.0%	--	--	--	--
HFRX Equity Hedge Index	0.8%	2.7%	6.6%	11.0%	-1.9%	0.2%	1.0%	-3.6%	-1.4%	0.5%
Russell 3000	2.4%	8.1%	15.6%	27.9%	12.0%	16.8%	18.4%	5.7%	6.1%	8.1%
MSCI ACWI	-0.3%	4.5%	9.2%	26.0%	5.1%	12.3%	12.9%	1.2%	3.9%	8.1%
ABS	2.0%	5.2%	8.8%	14.1%	4.0%	6.3%	--	--	--	--
HFRX Equity Hedge Index	0.8%	2.7%	6.6%	11.0%	-1.9%	0.2%	1.0%	-3.6%	-1.4%	0.5%
Russell 3000	2.4%	8.1%	15.6%	27.9%	12.0%	16.8%	18.4%	5.7%	6.1%	8.1%
MSCI ACWI	-0.3%	4.5%	9.2%	26.0%	5.1%	12.3%	12.9%	1.2%	3.9%	8.1%
K2	2.0%	4.0%	7.8%	14.0%	4.2%	5.7%	--	--	--	--
HFRX Equity Hedge Index	0.8%	2.7%	6.6%	11.0%	-1.9%	0.2%	1.0%	-3.6%	-1.4%	0.5%
Russell 3000	2.4%	8.1%	15.6%	27.9%	12.0%	16.8%	18.4%	5.7%	6.1%	8.1%
MSCI ACWI	-0.3%	4.5%	9.2%	26.0%	5.1%	12.3%	12.9%	1.2%	3.9%	8.1%
Real Estate Composite	0.0%	2.3%	2.3%	10.6%	10.8%	15.4%	17.7%	2.9%	3.6%	9.9%
Custom Real Estate Benchmark	0.0%	0.8%	2.4%	8.0%	10.0%	13.6%	19.9%	1.8%	3.2%	9.3%
NFI	0.0%	0.8%	2.4%	8.0%	10.0%	13.0%	6.5%	-1.8%	2.1%	5.7%
American Realty Advisors	0.0%	2.2%	2.2%	9.7%	11.0%	--	--	--	--	--
NFI	0.0%	0.8%	2.4%	8.0%	10.0%	13.0%	6.5%	-1.8%	2.1%	5.7%
Morgan Stanley	0.0%	2.5%	2.5%	11.6%	13.4%	--	--	--	--	--
NFI	0.0%	0.8%	2.4%	8.0%	10.0%	13.0%	6.5%	-1.8%	2.1%	5.7%
UBS	0.0%	1.4%	1.1%	7.5%	--	--	--	--	--	--
NFI	0.0%	0.8%	2.4%	8.0%	10.0%	13.0%	6.5%	-1.8%	2.1%	5.7%
Infrastructure Composite	-0.7%	-0.5%	-1.7%	7.3%	5.7%	10.2%	--	--	--	--
CPI +4%	0.3%	1.1%	2.9%	5.2%	5.3%	6.1%	6.1%	5.4%	6.0%	6.4%
IFM	-1.4%	0.9%	-1.4%	9.3%	5.1%	10.7%	--	--	--	--
CPI +4%	0.3%	1.1%	2.9%	5.2%	5.3%	6.1%	6.1%	5.4%	6.0%	6.4%
J.P. Morgan	0.0%	-2.0%	-2.0%	5.0%	6.1%	--	--	--	--	--
CPI +4%	0.3%	1.1%	2.9%	5.2%	5.3%	6.1%	6.1%	5.4%	6.0%	6.4%

Total Fund Composite

Fee Schedule

Market Value: \$1,776.3 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee ¹	Industry Average ²
Core Fixed Income	J.P. Morgan	0.20% on the first \$100 million 0.15% on the Balance	0.16% \$552,064	0.24%
Core Fixed Income	Mellon Capital	0.04% on the first \$200 million 0.02% on the Balance	0.04% \$29,959	0.08%
Large-Cap Value	Boston Partners	0.40% on the first \$15 million 0.30% on the next \$25 million 0.20% on the next \$25 million 0.15% on the next \$35 million 0.10% on the Balance	0.20% \$276,280	0.51%
Large-Cap Core	Mellon Capital	0.04% on the first \$200 million 0.02% on the Balance	0.04% \$46,742	0.09%
Mid-Cap Growth	Artisan Partners	0.80% on the first \$50 million 0.60% on the next \$50 million 0.50% on the Balance	0.79% \$420,115	0.68%
Mid-Cap Growth	Geneva Capital	0.55% on the Balance	0.55% \$245,344	0.78%
Small-Cap Value	iShares Russell 2000 Value Index	0.25% on the Balance	0.25% \$124,147	0.95%
Small-Cap Value	Fiduciary Management	0.70% on the first \$10 million 0.65% on the next \$40 million 0.60% on the next \$25 million 0.50% on the Balance	0.66% \$329,622	0.95%
Non-U.S. All-Cap Core	NTGI ACWI Ex-US	0.08% on the Balance	0.08% \$78,572	0.75%
Non-U.S. Large-Cap Core	Barings	0.75% on the Balance	0.75% \$837,308	0.68%
Non-U.S. Small-Cap Value	GMO Small-Cap	0.75% on the Balance	0.75% \$622,806	1.16%
Emerging Markets	Barings EM	0.75% on the Balance	0.75% \$427,606	0.92%
Hedged Equity Hedge FoF	ABS	0.85% on the Balance *redemptions quarterly with 45 days notice	0.85% \$820,697	1.37%
Hedged Equity Hedge FoF	K2	0.90% on the Balance *redemptions quarterly with 91 days notice	0.90% \$852,947	1.37%

Total Fund Composite

Fee Schedule

Market Value: \$1,776.3 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee ¹	Industry Average ²
Core Real Estate	American Realty Advisors	0.95% on the Balance	0.95% \$316,064	1.03%
Core Real Estate	Morgan Stanley	0.90% on the Balance	0.90% \$716,940	1.03%
Core Real Estate	UBS	0.955% on the first \$10 million 0.825% on the next \$15 million 0.805% on the next \$25 million 0.79% on the next \$50 million 0.67% on the next \$150 million 0.60% on the Balance	0.91% \$144,799	1.03%
Core Infrastructure	IFM	1.25% on the Balance Performance Fee: 20% of return above 8% on a rolling three year basis	1.25% \$826,436	1.80%
Core Infrastructure	J.P. Morgan	1.50% on the first \$50 million 1.55% on the Balance Performance Fee: 15% with 7% Hurdle (six year soft lock, effective lock 4.5 years)	1.51% \$914,701	1.80%
Private Equity	Adams Street	0.67% on the first \$50 million 0.60% on the Balance 10% carry on secondaries and co-invest (Effective Rate Over 15 Yr Term)	0.67% \$204,897	1.11%
U.S. Private Equity FoF	Siguler Guff	0.69% on commitment	1.36% \$276,000	2.18%
Cash Overlay	BNY Beta Management	0.025% on the Balance	0.03% \$16,401	0.20%
Total Investment Management Fees			0.51% \$9,080,447	0.75%
Custodian	BNY Mellon	\$50,000 Flat Annual Fee	\$50,000	N/A
Total Fund			0.51% \$9,130,447	

¹ Expense Ratio & Estimated Annual Fee are Based on Market Value at Month End.

² Source: 2010 Marquette Associates Investment Management Fee Study.